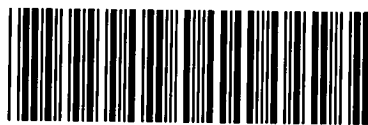


# Strategic Storage Limited

## Annual Report and Audited Financial Statements

For the year ended 31 December 2021

THURSDAY



\*ABDKQ62Z\*

A15

29/09/2022

#138

COMPANIES HOUSE

Company number: 12051703

# Strategic Storage Limited

## CONTENTS

	Page(s)
Company Information	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 21

# Strategic Storage Limited

## COMPANY INFORMATION

<b>Directors</b>	Daniel Micheal Agostino Reiner Schränkler
<b>Company secretary</b>	Intertrust (UK) Limited 1 Bartholomew Lane London EC2N 2AX United Kingdom
<b>Registered office</b>	1 Bartholomew Lane London EC2N 2AX United Kingdom
<b>Company number</b>	12051703
<b>Accountants</b>	D & M Financial Services (UK) Limited 25 East Street Bromley BR1 1QE United Kingdom
<b>Auditors</b>	Cohen & Co. Chartered Accountants Limited 59/60 O'Connell Street Limerick V94 E95T Ireland
<b>Bank</b>	Barclays Bank PLC P.O. Box 41 Le Marchant House Le Truchot, St. Peter Port Guernsey GY1 3BE Channel Islands

## DIRECTORS' REPORT

The Directors present their annual report together with the audited financial statements of Strategic Storage Limited (the "Company") for the year ended 31 December 2021.

### Principal activities

The Company is a private company limited by shares registered in England and Wales. The Company's registered number and registered office can be found on the Company Information page. At the reporting date, the Company is an investment holding company and holds a subsidiary investment, namely Strategic Storage GmbH, a company incorporated in Germany.

### Results for the period and future developments

The loss on ordinary activities before taxation amounted to €20,435 (2020: €21,402). The Company's total assets at 31 December 2021 amounted to €21,816,520 (2020: €16,818,441).

### Dividends

During the year ended 31 December 2021, the Company did not declare any dividends (2020: Nil).

### Political donations

The Company did not make any political donations during the year 2021 (2020: Nil).

### Going concern

The financial statements have been prepared on a going concern basis. The Directors have made an assessment of the Company's ability to continue in operation and are satisfied that the Company has the resources to continue in business for the foreseeable future.

### Disclosure of information to the Auditors

As far as each Director is aware, there is no relevant information needed by the auditor in connection with preparing its report of which the auditor is unaware. Each Director has taken all steps that they are obliged to take in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# Strategic Storage Limited

## DIRECTORS' REPORT (continued)

### Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the audited financial statements in accordance with United Kingdom ("UK") law and regulations.

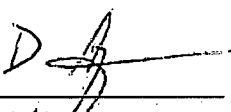
UK company law requires the Directors to prepare financial statements for the Company for each financial period. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") and interpretations issued by the International Accounting Standards Board ("IASB") and the Companies Act 2006. Under UK company law, the Directors must not approve the financial statements unless they are satisfied that the financial statements give a true and fair view of the assets, liabilities and financial position of the Company as at the financial period end date; give a true and fair view of the profit or loss of the Company for the financial period; and otherwise comply with the Companies Act 2006.

In preparing those financial statements, the Directors are required to:

- Select suitable accounting policies and apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the audited financial statements comply with IFRS and the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board of Directors:

  
\_\_\_\_\_  
Director  
Daniel Micheal Agostino  
22 September 2022

Company number: 12051703

# Cohen & Co

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF STRATEGIC STORAGE LIMITED

### **Opinion**

We have audited the financial statements of Strategic Storage Limited (the "Company") for the period ended 31 December 2021, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRS").

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021, and of its profit or loss for the period then ended;
- have been properly prepared in accordance with IFRS; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report.

# Cohen & Co

## **Other information** *(continued)*

Our opinion on the financial statements does not cover the other information, and except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report has been prepared in accordance with applicable legal requirements.

## **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement on page 3 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

1. We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management. We also selected a specific audit team based on experience with auditing entities within this industry facing similar audit and business risks.
2. We determined the principal laws and regulations relevant to the Company in this regard to be those related to the Company's reporting framework i.e. IFRS and the Companies Act 2006.
3. We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance with those laws and regulations. These procedures included, but were not limited to:
  - Making enquiries of management;
  - A review of board minutes; and
  - A review of ledger accounts.
4. We also identified the risks of material misstatement of the financial statements due to fraud. Aside from the non-rebuttable presumption of a risk of fraud arising from management override of controls, we did not identify any significant fraud risks.
5. As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals, reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.



# Cohen & Co

## **Auditor's responsibilities for the audit of the financial statements** *(continued)*


As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
4. Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

## **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Ian Doran (Senior Statutory Auditor)**

**For and on behalf of Cohen & Co. Chartered Accountants Limited**

59/60 O'Connell Street

Limerick

Ireland

Date: 23 September 2022

# Strategic Storage Limited

## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 €	2020 €
<b>Expenses</b>			
Administration expenses		(7,735)	(15,866)
Accounting and tax expenses		(7,455)	-
Auditor's remuneration		(4,164)	(5,383)
Foreign exchange loss		(1,081)	(153)
<b>Total expenses</b>		<b>(20,435)</b>	<b>(21,402)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(20,435)</b>	<b>(21,402)</b>
Tax on loss on ordinary activities	4	-	-
<b>Loss for the year after taxation</b>		<b>(20,435)</b>	<b>(21,402)</b>
<b>Other comprehensive income</b>			
Unrealised gain on investment at fair value through other comprehensive income		5,018,080	6,483,164
<b>Total comprehensive income for the year</b>		<b>4,997,645</b>	<b>6,461,762</b>

All of the activities of the Company are classed as continuing.

*The accompanying notes form an integral part of these audited financial statements.*


# Strategic Storage Limited

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	<i>Note</i>	<b>31 December 2021 €</b>	<b>31 December 2020 €</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Investment	5	<u>21,807,049</u>	<u>16,788,969</u>
<b>Total non-current assets</b>		<b>21,807,049</b>	<b>16,788,969</b>
<b>Current assets</b>			
Prepayments		1,309	4,883
Trade and other receivables		100	100
Cash at bank		<u>8,062</u>	<u>24,489</u>
<b>Total current assets</b>		<b>9,471</b>	<b>29,472</b>
<b>Total assets</b>		<b>21,816,520</b>	<b>16,818,441</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Called up share capital	6	42,900	42,900
Share premium		4,237,200	4,237,200
Retained deficit		(57,042)	(36,607)
Fair value reserve		<u>17,552,049</u>	<u>12,533,969</u>
<b>Shareholder's fund</b>		<b>21,775,107</b>	<b>16,777,462</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	7	<u>41,413</u>	<u>40,979</u>
<b>Total current liabilities</b>		<b>41,413</b>	<b>40,979</b>
<b>Total liabilities</b>		<b>41,413</b>	<b>40,979</b>
<b>Total equity and liabilities</b>		<b>21,816,520</b>	<b>16,818,441</b>

The audited financial statements were approved and authorised for issue by the Board of Directors of Strategic Storage Limited (company number 12051703) on 22 September 2022 and were signed on its behalf by:

  
 Director  
 Daniel Micheal Agostino

*The accompanying notes form an integral part of these audited financial statements.*

## Strategic Storage Limited

### STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2021

2020	Called up share capital €	Share premium account €	Retained deficit €	Fair value reserve €	Shareholder's funds €
At 1 January 2020	42,900	4,237,200	(15,205)	6,050,805	10,315,700
Loss for the year	-	-	(21,402)	-	(21,402)
Other comprehensive income	-	-	-	6,483,164	6,483,164
At 31 December 2020	42,900	4,237,200	(36,607)	12,533,969	16,777,462

2021	Called up share capital €	Share premium account €	Retained deficit €	Fair value reserve €	Shareholder's funds €
At 1 January 2021	42,900	4,237,200	(36,607)	12,533,969	16,777,462
Loss for the year	-	-	(20,435)	-	(20,435)
Other comprehensive income	-	-	-	5,018,080	5,018,080
At 31 December 2021	42,900	4,237,200	(57,042)	17,552,049	21,775,107

*The accompanying notes form an integral part of these audited financial statements.*

# Strategic Storage Limited

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 €	2020 €
<b>Operating activities</b>			
Loss for the financial year		(20,435)	(21,402)
<i>Adjusted for:</i>			
Decrease/(increase) in prepayments		3,574	(4,883)
Increase in trade and other payables	7	434	774
<b>Net cash flows used in operating activities</b>		<b>(16,427)</b>	<b>(25,511)</b>
<b>Net decrease in cash for the year</b>		<b>(16,427)</b>	<b>(25,511)</b>
Cash at the beginning of the year		24,489	50,000
<b>Cash at the end of the year</b>		<b>8,062</b>	<b>24,489</b>

*The accompanying notes form an integral part of these audited financial statements.*

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

### 1. INCORPORATION AND PRINCIPAL ACTIVITY

Strategic Storage Limited (the “Company”) was incorporated on 14 June 2019 as a private company limited by shares registered in England and Wales. The Company’s registered number and registered office can be found on the Company Information page. The Company is an investment holding company. The Company holds a subsidiary investment in Strategic Storage GmbH.

### 2. BASIS OF PREPARATION

#### (a) Statement of compliance

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards (“IFRSs”) and interpretations issued by the International Accounting Standards Board (“IASB”) and the Companies Act 2006. There were no material departures from the standards. These financial statements represent the Company only and are not consolidated (see note 2 (d) (iii)).

#### (b) Basis of measurement

The financial statements are prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through other comprehensive income (“FVOCI”).

#### (c) Going concern

The financial statements have been prepared on a going concern basis. The Directors have made an assessment of the Company’s ability to continue in operation and are satisfied that the Company has the resources to continue in business for the foreseeable future.

#### (d) Significant accounting estimates and judgments

The preparation of the financial statements requires the Directors to make certain judgments, estimates and assumptions that affect the application of policies and reporting amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and expectation of future events. Actual results may differ from these estimates.

Estimates and the underlying assumptions therein are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements of the Company are presented below.

##### *(i) Functional and presentation currency*

The functional and presentation currency of the Company is Euro (“€”), rounded to the nearest Euro. The Directors consider that Euro reflects the primary economic environment in which the Company operates.

##### *(ii) Measurement of fair values*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 2. BASIS OF PREPARATION (continued)

#### (d) Significant accounting estimates and judgments (continued)

##### *(ii) Measurement of fair values (continued)*

The fair values of financial assets and liabilities that are not traded in active markets (such as the Company's equity investment) are determined using valuation techniques. The Directors use a variety of methods and make assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of analysis and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity specific inputs. Valuation techniques may incorporate assumptions about factors that other market participants would use in their valuations, including:

- The likelihood and expected timing of future cash flows on the instrument. Judgment may be required to assess the counterparty's ability to service the instrument in accordance with its contractual terms. Future cash flows may be sensitive to changes in market rates; and
- Selecting an appropriate discount rate for the instrument. Judgment is required to assess what a market participant would regard as the appropriate spread of the rate for an instrument over the appropriate risk-free rate.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment for the year ended 31 December 2021 is included in note 9 and relates to the determination of the fair value of financial instruments with significant unobservable inputs.

##### *(iii) Assessment as investment entity*

In accordance with IFRS 10 *Consolidated Financial Statements* ("IFRS 10"), the criteria which define an investment entity are as follows:

1. an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
2. an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both;
3. an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Company obtains its capital from other group entities. Strategic Storage L.P. (the "Fund"), the ultimate parent entity, will monitor the performance (financial and otherwise) of the Company and its investment. The Fund may inject further capital into the Company and/or will ultimately receive funds upon the realisation of its investment in the underlying project.

The Company has acquired the interest in its investment with the objective of obtaining returns in the form of investment income and capital appreciation.

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 2. BASIS OF PREPARATION (continued)

#### (d) Significant accounting estimates and judgments (continued)

##### *(iii) Assessment as investment entity (continued)*

The financial statements of the Company are prepared in accordance with IFRS and investments are accordingly accounted for at their fair values. Accordingly, it is the Directors judgment that the Company meets the criteria which define an investment entity under IFRS 10. Paragraph 31 of IFRS 10 states that investment entities are exempt from consolidating their subsidiaries and instead reflect these subsidiaries as investments held at fair value.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### (a) Financial instruments

##### *(i) Classification*

The Directors determine the classification of the Company's financial assets and liabilities at initial recognition or, where applicable, at the time of reclassification. The Company classifies the financial assets based on both the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's investment is managed and performance is evaluated on a fair value basis. The key indicator the Company uses when assessing an investment's performance and making decisions is fair value. The Directors have made the irrevocable election to measure the Company's investment as FVOCI. Further details on fair value measurement is set out in note 9.

Financial assets that are designated as held-to-collect are non-derivative financial assets where the contractual cash flows are solely principal and interest. Accordingly, they are measured at amortised cost. At the reporting date, cash at bank, prepayments and trade and other receivables are classified as financial assets measured at amortised cost.

Financial liabilities are classified as held-to-collect and are measured at amortised cost. At the reporting date, trade and other payables are classified as financial liabilities measured at amortised cost.

##### *(ii) Recognition, derecognition and measurement*

The Company recognises held-to-collect financial assets and liabilities on the date when they are originated. All other financial assets are initially recognised on the trade date (the date on which the Company becomes a party to the contractual provisions of the instrument). All financial instruments are initially measured at fair value, plus, in the case of financial assets or liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or when the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished. A financial liability is extinguished when the obligation is discharged, cancelled or expires.

Subsequent to initial recognition, financial assets classified as FVOCI are measured at fair value, with gains and losses arising from changes in fair value taken through Other Comprehensive Income.



# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 3. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (a) Financial instruments (continued)

##### *(ii) Recognition, derecognition and measurement (continued)*

Held-to-collect financial assets and liabilities are subsequently carried at amortised cost using the effective interest method. Any difference between the proceeds net of directly attributable transaction costs and the redemption value of financial liabilities is recognised in profit or loss over the period of the borrowings using the effective interest method.

The Directors apply the simplified approach to impairment of held-to-collect financial assets permitted by IFRS 9 *Financial Instruments* ("IFRS 9"), which requires lifetime expected credit losses to be recognised from initial recognition of the held-to-collect financial assets.

#### (b) Investment income recognition

Dividends are recognised in the Statement of Comprehensive Income when the Company's right to receive the payment is established. Tax suffered on such income for which no relief is available is treated as an expense.

#### (c) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

#### (d) Taxes

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the period end date. Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the period end date, except that the recognition of deferred tax assets is limited to the extent that the Company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. Deferred tax balances are not discounted.

#### (e) Dividend distribution

Dividends to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company.

#### (f) Cash

Cash comprises cash on hand.

#### (g) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (h) Forthcoming accounting standards and interpretations – issued but not effective

At 31 December 2021, a number of accounting standards, interpretations and amendments had been issued by the IASB, which are not yet effective for the Company's financial statements, and none of which are expected to have a material effect on the Company's financial statements in future years.

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 4. TAXATION

No corporation tax liability arose for the year ended 31 December 2021 (2020: Nil).

#### *Factors affecting the tax expense*

The tax charge on the loss for the year was as follows:

	2021 €	2020 €
<b>Loss on ordinary activities before taxation</b>	<b>(20,435)</b>	<b>(21,402)</b>
Tax on loss on ordinary activities at standard corporation tax rate of 19% (2020: 19%)	<b>(3,883)</b>	<b>(4,066)</b>
<i>Effects of:</i>		
Deferred tax not recognised	<b>3,883</b>	<b>4,066</b>
Tax expense	<b>-</b>	<b>-</b>

The Company has tax losses in respect of management expenses carried forward of €57,042 (2020: €36,607). The deferred tax asset of €14,260 (2020: €6,955) has not been recognised due to uncertainty as to whether suitable profits will be generated in order to utilise these losses.

#### *Factors that may affect future tax charges*

On 10 June 2021, the Finance Act 2021 was enacted which increased the corporation tax rate from 1 April 2023. This rate will increase from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000. Within the profits band of £50,000 to £250,000, corporation tax is calculated at 25% less a calculated marginal relief tax deduction. The unrecognised deferred tax asset at the reporting date has been measured using 25%, being the main rate of UK corporation tax from 1 April 2023.

### 5. INVESTMENT

#### *Investment in subsidiary*

The Company holds the following investment in subsidiary at the reporting date:

Subsidiary	Holding	31 December 2021 €	31 December 2020 €
Strategic Storage GmbH	100%	<b>21,807,049</b>	16,788,969
<b>Total investment</b>		<b>21,807,049</b>	16,788,969

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 5. INVESTMENT (continued)

Strategic Storage GmbH is an investment holding company incorporated in Germany. The registered office of this company is Königsallee 14, 40212 Düsseldorf, Germany. Strategic Storage GmbH holds 100% of Untertage-Speicher-Gesellschaft mbH which is the fourth largest oil storage facility in Germany.

During the year, no dividend income was received from Strategic Storage GmbH (2020: €Nil).

During the financial period, the Fund engaged independent third-party valuers to verify the fair value of its investment. The Company utilises the information obtained from the verification to evaluate the financial performance of its investment and apply the fair value accounting rules accordingly.

### 6. CALLED UP SHARE CAPITAL

*Allotted, called up and fully paid*

42,900 ordinary shares of par value of €1 each:

31 December 2021 €	31 December 2020 €
42,900	42,900
<b>42,900</b>	<b>42,900</b>

The Fund is the sole shareholder of the Company.

### 7. TRADE AND OTHER PAYABLES

Payable to iCON Infrastructure Operations (UK) Limited  
Tax advisor fees payable  
Auditor's fee payable  
Accounting fee payable  
Administration fee payable  
**Total trade and other payables**

31 December 2021 €	31 December 2020 €
(25,000)	(25,000)
(6,426)	(6,006)
(5,058)	(5,404)
(4,413)	(4,124)
(516)	(445)
<b>(41,413)</b>	<b>(40,979)</b>

### 8. FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. Ultimate responsibility for setting risk appetite and the effective management of risk rests with the Directors and the Fund. This note presents information about the Company's exposure to such financial risks, along with the Directors' objectives, policies and processes for measuring and managing risk and the Company's capital.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 8. FINANCIAL RISK MANAGEMENT (continued)

#### (a) Market risk

Market risk is the risk that changes in market prices, such as interest rates or foreign exchange rates will affect the Company's income or the fair value of its holdings in financial instruments.

##### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. At 31 December 2021, a portion of the Company's net assets are denominated in Great British Pounds. At 31 December 2021, the remaining assets and liabilities are denominated in its functional currency, €, and therefore the Company has no material exposure to currency risk. As a result, a sensitivity analysis is neither appropriate or applicable.

##### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, a portion of the Company's financial assets consisted of cash which yields an immaterial amount of interest, if any. All other financial instruments comprise non-interest-bearing assets and liabilities. As a result, a sensitivity analysis is neither appropriate nor applicable.

##### (iii) Price risk

Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Company holds an investment in Strategic Storage GmbH with a carrying value of €21,807,049 (2020: €16,788,969). This is a long term strategic investment. Correlation is not sought with any market or index and as a result, a sensitivity analysis of the portfolio to market price risk is not overwhelmingly meaningful and, to a certain extent may even prove misleading.

#### (b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. At 31 December 2021, €8,062 (2020: €24,489) of the Company's cash is held with Barclays Bank Plc, which is rated A as determined by Standard and Poor's.

#### (c) Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can do so on terms that are materially disadvantageous.

The Company is primarily exposed to liquidity risk of being unable to meet its liabilities as they fall due. At the reporting date, the Company has sufficient cash resources to meet its short term payables, which includes access to cash resources from its parent.

The Company issued 1,000 ordinary shares to the Fund in September 2022 for the purpose of working capital. See the subsequent events note for further detail.

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table analyses the fair value hierarchy of the Company's financial instrument measured at fair value at 31 December 2021 and 2020. All fair value measurements disclosed are recurring fair value measurements.

31 December 2021	Total	Level 1	Level 2	Level 3
Assets	€	€	€	€
Equity investment	21,807,049	-	-	21,807,049
Total investment	21,807,049	-	-	21,807,049

31 December 2020	Total	Level 1	Level 2	Level 3
Assets	€	€	€	€
Equity investment	16,788,969	-	-	16,788,969
Total investment	16,788,969	-	-	16,788,969

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Directors' assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment.

#### *Valuation of financial instruments*

At the reporting date, the Company's equity investment is carried at fair value. The methods and assumptions used in estimating the fair value is detailed below.

#### Investment in equity investment

Fair values for investments in equity investments that do not have quoted prices in an active market are derived using pricing models. Investments whose values are derived using pricing models are categorised in either level 2 or level 3 of the fair value hierarchy depending on the extent of observable data inputs used in the pricing models.

#### Level 3 investments

The fair value of the Company's investment was estimated principally through the income approach, using a discounted cash flow ("DCF") valuation method. A DCF method incorporates various operating assumptions, with certain market driven parameters overlaid. The market approach was used as a means by which to sense-check valuations.

At the end of each financial year, the Fund prepares a valuation paper utilising information available on the underlying portfolios to evaluate the financial performance of its investments and calculate the fair value of the Company's investment. The valuation paper is verified by an independent valuer with suitable credentials.

The fair value of investments is calculated using significant unobservable inputs and therefore is classified as level 3.

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 9. FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

#### Level 3 movements table

The following table provides a reconciliation of the movements between the opening and closing balance of level 3 financial instruments, measured at fair value using a valuation technique with significant unobservable inputs:

#### Level 3 reconciliation

	2021	2020
	€	€
Opening balance	16,788,969	10,305,805
Purchases	-	-
Total gain recognised in other comprehensive income:	5,018,080	6,483,164
Balance at 31 December	21,807,049	16,788,969

There were no transfers between levels during the year.

#### Quantitative information and sensitivity of significant unobservable inputs - level 3

The significant unobservable inputs used in the fair value measurements categorised within level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 December 2021 and 2020 are shown below:

Description	Fair Value at 31 December 2021 €	Unobservable Inputs	Valuation Technique	Reasonable Possible Shift +/- (Absolute Value)	Change in Valuation €
Equity investment	21,807,049	Cash flow projections / discount rate	Discounted cash flow	15%	3,271,057/ (3,271,057)

Description	Fair Value at 31 December 2020 €	Unobservable Inputs	Valuation Technique	Reasonable Possible Shift +/- (Absolute Value)	Change in Valuation €
Equity investment	16,788,969	Cash flow projections / discount rate	Discounted cash flow	15%	2,518,345/ (2,518,345)

# Strategic Storage Limited

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 31 December 2021

### 10. RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

#### *Common Directors*

Reiner Schränker, a Director of the Company, is also Managing Director of Strategic Storage GmbH.

#### *Intercompany receivables and payables*

At 31 December 2021 and 2020, the Company had the following amounts receivable from related parties:

	2021 €	2020 €
Receivable from Strategic Storage L.P. <sup>1</sup>	100	100
	<u>100</u>	<u>100</u>

<sup>1</sup>Relating to proceeds from issue of shares.

At 31 December 2021 and 2020, the Company had the following amounts payable to related parties:

	2021 €	2020 €
Payable to iCON Infrastructure Operations (UK) Limited <sup>1</sup>	(25,000)	(25,000)
	<u>(25,000)</u>	<u>(25,000)</u>

<sup>1</sup>Relating to purchase proceeds payable.

### 11. ULTIMATE CONTROLLING PARTY

At the reporting date, the ultimate controlling party of the Company is Strategic Storage L.P. (the "Fund"), an English limited partnership domiciled in Guernsey, acting through its managing general partner, iCON Infrastructure Management IV Limited. The principal place of business of this entity is Martello Court, Admiral Park, St. Peter Port, Guernsey, GY1 3HB.

### 12. SUBSEQUENT EVENTS

On 23 September 2022, the Fund subscribed for 1,000 ordinary shares of €1.00 in the Company for a total consideration of €100,000.

There were no other material events subsequent to the reporting date which necessitate revision of the figures or disclosures included in the financial statements.